Industrial Base Challenge

Transition from peacetime to war

- PEACETIME
  - Low item demands
  - Production rates in line with demand
  - Industrial Base Capacity tends to right size with historic demands

- WARTIME
  - Demands rise rapidly
  - Demands must be meet on very short timelines
  - Demands rise simultaneously in all commodity areas
  - Supply and Industrial base capacities pushed to limits
  - Prioritization of demands required when capacities exceeded

KEY READINESS CONCERN

- What if another Major Combat Operations Happens soon?

  –Industrial base may not be able to timely support.

  –War Reserve limited due to recent operations.

  –Options to enhance or improve supply posture reduced by actions already taken.

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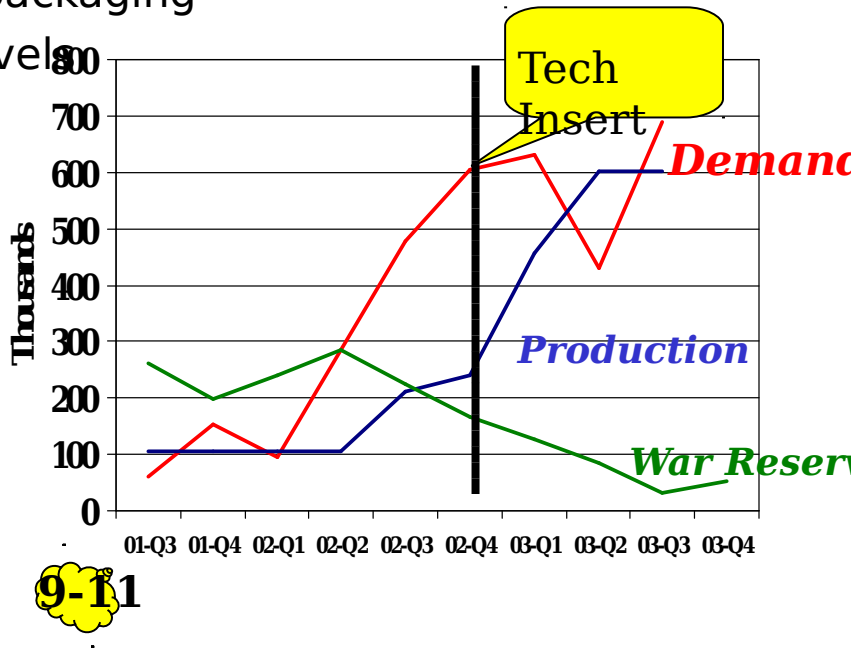
C2A1 Canister

- Before 9-11
  - Average monthly demand: 24K
  - Monthly production rate: 35K

- After 9-11
  - Major surge in demands
  - Large increase in monthly production
  - Increased production due to **technology improvement** in canister packaging
  - Reduction in War Reserve levels



SOLUTIONS

- Make CB War Reserve Stocks a joint program
  - Increase war reserve stocks
- Enhance CB surveillance and shelf life testing programs
- Improve field asset visibility
  - MICAS
- Expand industrial base
  - Increased funding to build more robust base
- Capitalize on technology enhancements
  - e.g., modernized packaging for C2A1 canister

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